



**OFFICE OF THE ATTORNEY GENERAL OF TEXAS
AUSTIN**

**GERALD C. MANN
ATTORNEY GENERAL**

**Honorable Wayne Lefevre
County Auditor
Clay County
Henrietta, Texas**

Dear Sir:

Opinion No. 0-3475

**Re: Can the commissioners' court
buy insurance on the courthouse
from "State Farm Fire Insurance
Company"?**

Your recent request for an opinion of this Department on the above stated question has been received. We quote from your letter as follows:

"Clay County is planning on taking out some new insurance policies on the courthouse, figures have been submitted by three agencies here. One of these agencies who represents the State Farm Fire Insurance Company, has submitted a policy with a premium quite a bit cheaper than the other agencies.

"The other agencies contend that the State Farm Insurance Company might be classed as a mutual on account of the hook up that it has with two other companies as shown by the enclosed circular, they further contend that it might be unlawful for the county to buy insurance other than from an incorporated company.

"Will you please be kind enough to give us your opinion as to whether it would be all right for the Commissioners' Court to buy insurance from 'State Farm Fire Insurance Company'."

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We are informed by the State Insurance Department that the "State Farm Fire Insurance Company" is a foreign corporation, organized on the capital stock plan, having a capital stock of \$250,000.00, and a permit to do business in this State. Therefore, there is no statutory or constitutional prohibition against the Commissioners' Court buying the insurance above mentioned from such company.

Trusting that the foregoing fully answers your inquiry, we are

Yours very truly

ATTORNEY GENERAL OF TEXAS

By

S/ Ardell Williams
Assistant

AW:AMM

APPROVED MAY 23, 1941

S/Grover Sellers
FIRST ASSISTANT
ATTORNEY GENERAL